

PATENT APPLICATION
Attorney Docket No. 1077 001 301 0202

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE
BOARD OF PATENT APPEALS AND INTERFERENCES

Jeremy Thaler et al. - Appellants

INVENTOR:	Jeremy Thaler et al.	GROUP:	1761
APPLICATION NO:	10/705,657	EXAMINER:	H. Pratt
FILED:	November 10, 2003	CONFIRMATION:	6140
FOR:	PEANUT BUTTER WITH AN ORGANIC STABILIZER AND METHOD FOR MANUFACTURE THEREOF		

APPELLANTS' BRIEF ON APPEAL

TABLE OF CONTENTS

	<u>PAGE</u>
TABLE OF CASES	3
1. REAL PARTY IN INTEREST	4
2. RELATED APPEALS AND INTERFERENCES.....	4
3. STATUS OF CLAIMS	4
4. STATUS OF AMENDMENTS	4
5. SUMMARY OF CLAIMED SUBJECT MATTER	5
6. GROUNDS OF REJECTION TO BE REVIEWED	7
7. ARGUMENT	8
8. CLAIMS APPENDIX	20
9. EVIDENCE APPENDIX.....	26
10. RELATED PROCEEDINGS APPENDIX.....	27

TABLE OF CASES

PAGE NO.

<i>In re Tiffin and Erdman</i> , 170 USPQ 88 (CCPA, 1971)	9
<i>In re Wilson</i> , 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970)	10
<i>In re Lintner</i> , 173 USPQ 560, (CCPA, 1972)	10
<i>Graham v. John Deere Co.</i> , 383 US 1 (US Sup. Ct., 1966).....	10
<i>KSR Intn'l Co. v. Teleflex Inc.</i> , 127 S.Ct. 1727, 82 USPQ2d 1385 (2007) ..	10,11
<i>Panduit Corp. v. Dennison Mfg. Co.</i> , 1 USPQ2d 1593 (Fed. Cir., 1987).....	10
<i>In re Mills</i> , 16 USPQ2d 1430 (Fed. Cir. 1990)	11
<i>In re Kamm et al.</i> , 172 USPQ 298(CCPA, 1972)	11
<i>In re Gordon</i> , 221 USPQ 1125, (Fed. Cir., 1984)	11
<i>Jones v. Hardy</i> , 220 USPQ 1021, (Fed. Cir., 1984)	11
<i>In re Vaeck</i> , 20 USPQ2d 1438 (Fed. Cir. 1991).....	11

1. REAL PARTY IN INTEREST

Once Again Nut Butter, Inc. by assignment of priority application from Inventors/Appellants, Jeremy Thaler et al., recorded November 14, 2002 at Reel /Frame 013494/0958.

2. RELATED APPEALS AND INTERFERENCES

NONE.

3. STATUS OF CLAIMS:

Claims 1, 3-20 and 22-24 remain in the application and are rejected. The rejections of claims 1, 3-20 and 22-24 are appealed herein.

4. STATUS OF AMENDMENTS:

No amendment after Final Rejection was submitted. The claims stand as last amended by right by Appellants' submission on December 14, 2007, prior to the final rejection.

5. SUMMARY OF CLAIMED SUBJECT MATTER:

As set forth in the specification and claims, the instant application is directed to peanut or nut butters and methods of their manufacture, and more particularly to the manufacture of organic peanut butters with organic stabilizers to prevent the separation of oils in the peanut butters. Accordingly, the present invention is able to achieve "peanut butter" within specified governmental limits, while eliminating the need for hydrogenated fats as stabilizers.

Appellants further submit the following information in support of the claimed features of the present application:

Independent Claim 1. Claim 1 is directed to an organic peanut butter, comprising several elements. First is at least about 90wt% organically grown, dry-roasted, ground peanuts. The description in the specification corresponding to organically grown, dry-roasted, ground peanuts is found at: p. 2, lines 16 – p. 3, line 2; p. 4, lines 2-12; and examples set forth at pp. 7-10. The second element is from about 5wt% to about 7wt% of a non-hydrogenated organic palm stearin oil (e.g., p. 4 and in the examples at pp. 7-10). A total fat concentration of the peanut butter less than about 55wt% is found, for example, at p. 2 and in the examples. The specification also describes peanut butter resisting subsequent separation of oil therefrom, e.g., having no free oil observed on the surface of the peanut butter after storage for at least 60 days (pages 7-10).

Independent Claim 12. Claim 12 is directed to a method for manufacturing organic peanut butter. The method includes, as depicted in FIG. 1, grinding organically grown, dry-roasted, ground peanuts in a mill (Ref. 108; Fig. 1; p. 6, lines 7-14). The method also includes combining, during a milling operation, ingredients as described above, to produce a mixture wherein a total fat concentration of the mixture is less than about 55wt%, where the combining operation produces a heated mixture with a temperature sufficient to maintain the palm stearin oil in a liquid state (e.g., see Ref. 116 and 120; pp. 6-7). Lastly, as represented by Refs. 122 and 124, the heated mixture is cooled to a temperature sufficiently low to produce a dispensable mixture, wherein the dispensable mixture is resistant to subsequent separation of oil

therefrom, having no free oil observed on the surface of the peanut butter after storage for at least sixty days.

6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL:

The grounds for rejection remain as set forth in the Office Action of August 22, 2008.

Claims 1, 10, 12-18, 20 and 22-23 were rejected under 35 USC §103(a) as being unpatentable over Liu (Liu et al.; 6,982,101) in view of Hinds ("Unhydrogenated Palm Oil as a Stabilizer," by M.J. Hinds et al., Journ. Food Sci., Vol. 59, No. 4, 1994, pp. 816-820) and Harris (Harris et al.; 2,560,509) and further in view of Baileys ("Bailey's Industrial Oil and Fat Products," Vol. 106, 6th Ed., John Wiley & Sons, © 2005 (release date Dec. 7, 2006), pp. 168-170).

Claims 1, 3-8, 10, 12-18, 20 and 22-23 were rejected under 35 USC §103(a) as being unpatentable over Hinds and further in view of Baileys.

Claims 9, 11, 19 and 24 were rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 10, 12-18 and 20 and 22-23,¹ and further in view of Krisinski (Krisinski et al.; 4,143,176).

Claims 9, 11, 19 and 24 were rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 3-8, 10, 12-18, 20 and 22-23,² and further in view of Krisinski.

¹ Appellants respectfully note that the Examiner has mis-stated the basis for the rejection of claims 1, 10, 12-18 and 20 and 22-23, as those claims are presently rejected under 35 USC §103(a) as being unpatentable over four alleged "references;" Liu in view of Hinds and Harris and further in view of Baileys, the finality of the prior rejections having been withdrawn (Aug. 2008 Office Action, p. 2). Appellants have, in spite of this incomplete rejection, set forth arguments in traversal thereof, and reserve the right to submit further arguments in a Reply Brief, or further response, should alternative or new grounds for rejection be presented by the Examiner.

² Appellants, once again, respectfully note that the Examiner mis-stated the basis for the rejection of claims 1, 3-8, 10, 12-18, 20 and 22-23, as those claims are presently rejected under 35 USC §103(a) as being unpatentable over Hinds and further in view of Baileys. Appellants have, in spite of this incomplete rejection, set forth arguments in traversal thereof, and reserve the right to submit further arguments in a Reply Brief or further response should alternative or new grounds for rejection be presented by the Examiner.

7. ARGUMENT:

Further to Appellants arguments submitted in the Request for Pre Appeal Brief Conference, the following arguments are also responsive to the Office Action of August 22, 2008, where revised rejections were presented. Moreover, in the following arguments Appellants set forth specific arguments in traversal of the rejections of both independent and dependent claims and request that the Board not consider those dependent claims specifically set forth as standing or falling with the independent claims, but based upon their own merits.

Several questions are presented in this appeal:

First, whether claims 1, 10, 12-18, 20 and 22-23 were properly rejected under 35 USC §103(a) as being unpatentable over Liu in view of Hinds and Harris and further in view of Baileys, including

- (i) whether the rejection improperly relies upon a document not available as prior art to establish obviousness,
- (ii) whether the rejection properly establishes *prima facie* obviousness and provides articulated reasoning and rational underpinning to support the legal conclusion of obviousness,
- (iii) whether the rejection under 35 USC §103(a) improperly combines two documents that teach away from one another and from the claimed invention, and
- (iv) whether the rejection under 35 USC §103(a) omits elements recited in the rejected claims.

Second, whether claims 1, 3-8, 10, 12-18, 20 and 22-23 were properly rejected under 35 USC §103(a) as being unpatentable over Hinds and further in view of Baileys, including

- (i) whether the rejection improperly relies upon a document not available as prior art to establish obviousness;

(ii) whether the rejection properly establishes *prima facie* obviousness and provides articulated reasoning and rational underpinning to support the legal conclusion of obviousness, and

(iii) whether the rejection under 35 USC §103(a) omits elements recited in the rejected claims.

Third, whether claims 9, 11, 19 and 24 were properly rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 10, 12-18 and 20 and 22-23, and further in view of Krisinski, including

(i) whether the rejection improperly relies upon a document not available as prior art to establish obviousness;

(ii) whether the rejection is clear so as to properly establish *prima facie* obviousness, and

(iii) whether the rejection under 35 USC §103(a) omits elements recited in the rejected claims.

Fourth, whether claims 9, 11, 19 and 24 were properly rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 3-8, 10, 12-18, 20 and 22-23, and further in view of Krisinski, including

(i) whether the rejection improperly relies upon a document not available as prior art to establish obviousness,

(ii) whether the rejection is clear so as to properly establish *prima facie* obviousness, and

(iii) whether the rejection under 35 USC §103(a) omits elements recited in the rejected claims.

Appellants respectfully submit that this invention is unique and has extensive application and utility. Under section 35 U. S. C. §103, the Patent and Trademark Office must make out a case of *prima facie* obviousness and it is incumbent upon Appellants to rebut that case with objective evidence of non-obviousness, *In re Tiffin and Erdman*, 170 USPQ 88 (CCPA, 1971). As set forth at MPEP §2142, "[t]he key to supporting any rejection under 35 U.S.C. 103 is the clear articulation of the reason(s)

why the claimed invention would have been obvious." In determining the propriety of the Patent and Trademark Office's case of *prima facie* obviousness, it is necessary to ascertain whether or not the reference teachings would appear to be sufficient for one of ordinary skill in the relevant art having the references before him (her) to make the proposed substitution, combination or other modification. Moreover, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970), as cited in MPEP §2143.03. The conclusion of *prima facie* obviousness may be rebutted and the claimed subject matter ultimately held to be legally non-obvious if there are differences between the patent application and the prior art's motivation for adding an element, or if the claimed subject matter has unexpectedly superior properties or advantages as compared to the prior art, *In re Lintner*, 173 USPQ 560, (CCPA, 1972).

It is well known that a determination of obviousness rests upon the answers to the factual inquiries set forth in *Graham v. John Deere Co.*, 383 US 1 (US Sup. Ct. 1966); scope and content of the prior art; differences between the prior art and the claims at issue; and level of ordinary skill in the art. As recently set forth in *KSR International Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 82 USPQ2d 1385 (2007), the Supreme Court reiterated that the operative question, when considering obviousness of a combination of known elements, is "whether the improvement is more than the predictable use of prior art elements according to their established functions" *Id.* at 82 USPQ2d 1396. In *Panduit Corp. v. Dennison Mfg. Co.*, 1 USPQ2d 1593 (Fed. Cir. 1987), the court stated that "[w]ith the involved facts determined, the decision maker confronts a ghost, i.e. "a person having ordinary skill in the art", not unlike the "reasonable man" and other ghosts in the law. To reach a proper conclusion under section 103, the decision maker must step backward in time and into the shoes worn by that "person" when the invention was unknown and just before it was made. In light of *all* the evidence, the decision maker must then determine whether the patent challenger has convincingly established, 35 U.S.C. 282, that the claimed invention as a whole would have been obvious at that time to that person. 35 U.S.C. §103. The answer to that question partakes more of the nature of law than of fact, for it is an ultimate conclusion based on a foundation formed of all the probative facts. If itself a fact, it would be part of its own foundation. . . . a prior patent must be considered in its entirety, i.e., as a *whole*, including portions that would lead away from the

invention in suit." The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 16 USPQ2d 1430 (Fed. Cir. 1990; *emphasis added*). Although a prior art device "may be capable of being modified to run the way the apparatus is claimed, there must be a suggestion or motivation in the reference to do so." *Id.* at 1432.

Finally, the Examiner may not use the Appellant's disclosure as a recipe for selecting portions of the "prior art" to construct Appellant's claimed invention. A piecemeal reconstruction of the prior art patents in light of Appellant's disclosure is not a basis for a holding of obviousness, *In re Kamm et al.*, 172 USPQ 298 (CCPA, 1972). The mere fact that the prior art could have been modified does not make the modification obvious unless the prior art suggested the desirability of such a modification, *In re Gordon*, 221 USPQ 1125, (Fed. Cir. 1984); *Jones v. Hardy*, 220 USPQ 1021, (Fed. Cir. 1984). Moreover, this teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on the Appellant's disclosure. *In re Vaeck*, 20 USPQ2d 1438 (Fed. Cir. 1991). As the KSR court reiterated, the analysis under 35 U.S.C. §103 must be made explicit, citing the holding in *Kahn* that stated, "rejections on obviousness cannot be sustained by mere conclusory statements; instead there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness." *KSR* at p. 13, 82 USPQ2d at 1396; citing *In re Kahn* 441 F. 3d 977, 988 (CA Fed. 2006). Absent articulated reasoning, and at least some rational underpinning to support the conclusion, *prima facie* obviousness is not established.

A. First Rejection Under 35 U.S.C. §103; Were claims 1, 10, 12-18, 20 and 22-23 properly rejected under 35 USC §103(a) as being unpatentable over Liu in view of Hinds and Harris and further in view of Baileys?

Appellants respectfully submit that the rejection is improper as it relies upon a document not available as prior art to establish obviousness. The present rejection is based upon a combination of Liu in view of Hinds and Harris and further in view of Baileys. However, as the Baileys pages and the Notice of References cited clearly indicate (portions of both excerpted below), Baileys was only available as of 2005. The instant application was filed in 2003, thus Baileys is unavailable as a reference

to support an obviousness rejection.

Excerpt from Baileys (Bailey's Industrial Oil and Fat Products) as identified by Examiner

 Title Details

Title:	Bailey's Industrial Oil and Fat Products, Volumes 1-6 (6th Edition)
Publisher:	John Wiley & Sons
Copyright / Pub. Date:	2005
ISBN:	0-815-6460-1
Electronic ISBN:	0-815-6460-1-2
No. Pages:	1729
Author/Editor:	Edited by: Stephen Farrelson
Known Release Date:	Nov. 7, 2005
Description:	This Sixth Edition features new coverage of edible fats and oils and is enhanced by a second volume on oils and waxes. This Sixth Edition consists of six volumes. Five volumes on edible oils and fats, with 5011 one volume (as in the 5th edition) devoted to nonedible products from oils and fats. Some brand new topics in the sixth edition include: animal and vegetal oils, conjugated linoleic acid, cocoa butter, phytochemicals, and plant biotechnology as related to oil production. Now with 75 accessible chapters, each volume contains a self-contained index for that particular volume.

Excerpt from Notice of References Cited, provided with August 22, 2008 Office Action

NON-PATENT DOCUMENTS	
*	Include as applicable: Author, Title Date, Publisher, Edition or Volume, Portion(s) Page(s)
U	Bailey's Industrial Oil and Fat Products Vol. 106, (6 th ed.), John Wiley & Sons, 2005, pages 159-171
V	

Appellants further submit that *prima facie* obviousness is not established, nor has the rejection as set forth provided articulated reasoning and rational underpinnings to support the legal rejection of obviousness.

Appellants respectfully contend that the rejection fails to expressly set forth a basis for the alleged combination/modification of Liu, Hinds, Harris and Baileys. Absent any articulated reasoning as the basis for the combination/modification, the combination is urged as being based upon Appellants' claims, and not on what would have been obvious to one skilled in the art. Accordingly, Appellants maintain that the rejection of claims 1, 10, 12-18, 20 and 22-23 is improper, and that *prima facie*

obviousness has not been established.

The rejection under 35 USC §103(a) improperly combines at least two documents that teach away from one another and from the claimed invention. Considering the combination, *in arguendo*, Appellants respectfully maintain that Liu clearly teaches away from the present invention as it is directed to nut butter spreads with less than about 90% nuts³ and, as the Examiner indicates, does not teach “at least about 90wt% organically grown, dry-roasted, ground peanuts.” While describing steps for making spreads, Liu specifically states that peanut oil is the preferred edible oil for peanut butter (col. 3, lines 9-10), and further indicates that a “sweetening composition” be added to nut pastes (col. 3, lines 35-36). The sweetening composition, as described by Liu includes a stabilizer to prevent oil separation between the solid and edible oil phases (col. 3, lines 65-67). The stabilizers are described as “hydrogenated vegetable oils and their derivatives” (col. 4, line 1, lines 16-26).

Appellants respectfully urge that the teaching in Liu is contrary to the present invention which is intended to provide an organic, non-hydrogenated peanut butter, not a spread that includes peanut oil and hydrogenated stabilizers, and thereby teaches away from the present invention and those additional references urged as the basis for the rejection. Appellants further urge that the Examiner continues to mischaracterize Liu’s teaching of “at least one stabilizer” in a total amount up to 3 - 4wt% (see e.g., col. 2, lines 3-25) as no stabilizer being present, whereas Liu clearly teaches the use of hydrogenated stabilizers.⁴ The Examiner’s reference to the method set out at the bottom of col. 1, while not expressly teaching the addition of a stabilizer as a step, does teach addition of the “sweetening composition” - which is characterized at col. 3, line 65 to “preferably also [include] a stabilizer to prevent separation ...” The Examiner urges, as indicated at p. 3 of the Office Action that “as the composition has been shown, it seen that no oil is on the surface and the storage is as claimed,” although no citation relative to such teachings being described in Liu

³ Appellants note that it does not appear that the amount of nuts set forth by Liu would even meet the US government’s definition of peanut butter (see 21 CFR §164.150) – a requirement of the rejected claims and a key restriction that is met by the invention, along with using only organic materials.

⁴ At p. 11 of the Office Action the Examiner urges Liu teaches an embodiment that does not employ stabilizers, but this interpretation is respectfully believed to be incorrect as Liu describes (e.g., col. 3, line 65 – col. 4, line 3) the sweetener composition as including a stabilizer such as hydrogenated vegetable oils and their derivatives.

has been provided.

In the alternative, Liu is urged as clear indicia that Appellants' organic peanut butter (meeting the requirements of 21 CFR §164.150), achieved using an organic, non-hydrogenated organic oil to prevent separation, was contrary to the accepted wisdom of those skilled in the art. Thus, not only does Liu fail to teach the recited claim limitations, but it teaches away from the claimed invention by indicating a preference for the use of hydrogenated vegetable oil stabilizers and their derivatives (e.g., col. 4, line 1).

As a further indicia of the failure of the rejection to set forth *prima facie* obviousness, the rejection under 35 USC §103(a) omits elements recited in the rejected claims. For example, Liu also fails to teach about 5wt% to about 7wt% of a non-hydrogenated organic palm stearin oil as is now set forth in the rejected independent claims, or . The Examiner urges that this limitation is taught by Liu's suggestion of the use of palm oil, but Appellants maintain that even if palm oil is suggested, the specific type and amount of the oil required to achieve the results set forth (e.g., an organic peanut butter that has a fat concentration below 55wt% and is resistant to separation) are not disclosed by Liu or the other references in combination.⁵ The rejection fails to set forth where the disclosure of the recited limitations is found. Absent a teaching or demonstration that all of the recited limitations were available to one of skill in the art, the rejection must fail.

The rejection also relies on the teachings of Hinds and urges that Hinds teaches the use of the recited 5 - 7wt% organic, non-hydrogenated palm stearin oil. Again, Appellants question what basis the Examiner relies upon for the alleged combination, other than the rejected claims themselves. Absent an indication for the motivation to combine the teachings of Liu and Hinds, it appears that Appellants' claims have been used as the "recipe" from which teachings of various documents have been selected.

While Hinds describes testing of unhydrogenated palm oil, it does not teach or suggest levels recited in the rejected claims. In fact, Hinds suggests that 2.0-2.5%

⁵ As to the response at p. 10 of the Office Action, that nothing has been shown to prove Liu would separate without a stabilizer, Appellants respond with a question of, "why Liu would have added a stabilizer (in the sweetening composition) if it wasn't needed?"

palm oil is adequate to effectively stabilize peanut butter.⁶ Accordingly, Hinds fails to disclose or describe the use of palm stearin oil, the hardest fraction of palm oil, particularly in the range recited. Hinds also teaches away from the recited limitations of independent claims 1 and 12, as it specifically teaches that a lower percentage of a palm oil should be used. The Examiner suggests that the claimed percentages could be arrived at with little routine experimentation. Not only has the Examiner failed to support such a "conclusion" but this is not believed to be the standard of obviousness. Moreover, Hinds arrived at, and recommended, a palm oil percentage that is significantly lower than that of the palm stearin oil recited in the rejected claims. Hence, the Examiner's assertion would appear to be contradicted by Hinds.

Lastly, Harris was added to the arguable combination of Liu and Hinds. Harris is suggested to teach, relative to claim 12, that sugar and polyglycerols can be melted and used in the making of peanut butter. While Harris does teach the use of small portions of partial esters of polyglycerol (col. 3, lines 43-49), the "indicated" esters of the polyglycerols are "derived from normally solid higher molecular weight fatty acids or mixtures of fatty acids, such as palmitic acid, hydroxy-stearic acid, stearic acid, mixtures thereof, so called 'triple-pressed stearic acid' and the like. ... [m]ixtures comprising from about 40 to 50% of stearic acid and the remainder largely palmitic acid ... are very satisfactory sources of fatty acids" (col. 3, lines 28-42), and it is not clear that this teaching gives rise to the limitations set forth in independent claims 1 or 12. Nor has the Examiner even alleged that to be the situation. Rather, Harris is apparently used to conclude that one might be motivated to experiment and try unhydrogenated palm oil that contains stearic acid. Absent that suggestion, however, it appears that the rejection is once again largely based upon the Examiner's opinion, and use of the claimed invention as a "recipe" to select teachings from various documents, rather than specific teachings in the documents themselves. Moreover, the Examiner's assertion that Applicants' teaching in the instant specification is somehow an admission or expansion of limitations added to the claims during prosecution is believed to be unsupported. The independent claims 1 and 12 both recite, as indicated in the Appendix, about 5 - 7wt% organic, non-

⁶ As the Examiner further notes, Hinds sets out the fatty acid composition of RBD palm oil at the bottom of col. 1 on p. 816, where the percentage of stearic fatty acid (C18:0) is 4-5.5%. Multiplied by 2.5 - 3% palm oil would appear to indicate that Hinds teaches only a fraction of a percent of stearic fatty acids.

hydrogenated palm stearin oil – a limitation that has not been identified as having been specifically taught in any of the cited references.

As noted, the dependent claims are believed to be allowable for the reasons set forth for the independent claims, and Appellants have not provided further arguments in traversal of such rejections for the sake of brevity. As previously noted, however, the Examiner appears to have taken “official notice” with respect to several limitations (e.g., “[adding oil in mill] has to have been done in order for peanuts to have been ground...”; “reference is silent as to heating the oil”) by asserting that the limitations recited in the claims are not new or would have to have been done, etc. Appellants urge that such statements also fail to meet the burden of *prima facie* obviousness as there does not appear to be any citation establishing where such information was known or taught. Absent a teaching of each of the limitations recited in the dependent claims, obviousness has not been established.

In view of the incomplete rejection based upon, and arguable combination of, Liu, Hinds, Harris and Baileys, and in the alternative, the lack of a teaching of all the limitations set forth in the claims, Appellants’ respectfully request that the rejection be withdrawn relative to independent claims 1 and 12, as well as claims 10, 13-18, 20 and 22-23 dependent therefrom.

In light of the above-noted arguments, the Board is requested to answer the first question in the negative and reverse the rejection of claims 1, 10, 12-18, 20 and 22-23.

B. Second Rejection Under 35 U.S.C. §103; Were claims 1, 3-8, 10, 12-18, 20 and 22-23 properly rejected under 35 USC §103(a) as being unpatentable over Hinds and further in view of Baileys?

In setting forth a rejection under 35 USC §103(a) of claims 1 and 12 based upon Hinds in view of Baileys, the Examiner acknowledged that Hinds fails to teach all of the limitations set forth in the independent claims.

As above, Appellants again submit that the rejection is improper as it relies upon a document not available as prior art to establish obviousness. The present rejection is based upon a combination of Hinds in view of Baileys. However, Baileys was only

available as of 2005, whereas the instant application was filed in 2003, Baileys is believed to be unavailable as a reference to support an obviousness rejection of claims 1, 3-8, 10, 12-18, 20 and 22-23.

Appellants further submit that the rejection fails to establish *prima facie* obviousness and provide articulated reasoning and rational underpinning to support the legal conclusion of obviousness for the rejection of claims 1, 3-8, 10, 12-18, 20 and 22-23. Specifically, the Examiner acknowledged that Hinds fails to teach the recited limitation of the amount of oil, about 5wt% to about 7wt% of a non-hydrogenated organic palm stearin oil. The rejection then incorrectly concludes that Appellants have not limited the claims to organic, non-hydrogenated palm stearin oil, when the independent claims set forth such limitations.⁷ The Examiner then concludes that no patentable distinction exists between the teachings of Hinds and the recited range of non-hydrogenated organic palm stearin oil in claims 1 and 12. The conclusion is contrary to the statement by Hinds that "[p]eanut butter containing 3% palm oil would be unstable (Fig. 1c)" (p. 819; col. 2, 2nd para., last sentence), and "the maximum palm oil should be 2.5%, but the most stable products would contain 2.0-2.1% palm oil (Fig. 2b)" (p. 819; col. 2, 3rd para., lines 4-6).

Accordingly, not only does Hinds fail to disclose or describe the use of the recited palm stearin oil, the hardest fraction of palm oil, it also fails to disclose the specific amounts set forth in the independent claims. Furthermore, the Examiner's assertions that "it would have been obvious to add a little more oil for its known function" is inconsistent with the teachings set forth in Hinds at p. 819, as noted above. Thus, in view of the fact that Hinds fails to teach each of the limitations recited in the claims, and Baileys is unavailable as a reference prior to the application date of the instant application, the rejection fails to establish *prima facie* obviousness, or provide articulated reasoning with a rational underpinning to support the legal conclusion of obviousness for the rejection of claims 1, 3-8, 10, 12-18, 20 and 22-23.

⁷ Appellants urge that the Examiner has taken the Appellants characterization of the palm stearin oil in the specification out of context. Appellants note that the independent claims are not limited to the particular palm stearin oil indicated as preferable in the specification, but to organic, non-hydrogenated palm stearin oil as recited in the claims. Moreover, contrary to the Examiner's assertion, the use of organic, non-hydrogenated palm stearin oil is critical as it enables the achievement of an organic peanut butter meeting the requirements of CFR §164.150, while at the same time reducing separation of oil during storage.

In light of the above-noted arguments, the Board is requested to answer the second question in the negative and reverse the rejection of claims 1, 3-8, 10, 12-18, 20 and 22-23.

C. Third Rejection Under 35 U.S.C. §103; Were claims 9, 11, 19 and 24 properly rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 10, 12-18 and 20 and 22-23, and further in view of Krisinski?

Claims 9, 11, 19 and 24, all dependent from either independent claim 1 or 12, were rejected under 35 USC §103(a) as being unpatentable over ___?___ and further in view of Krisinski. Appellants urge that, once again, the rejection is incomplete on its face as it fails to set forth specific references upon which the rejection is based. The Examiner mistakenly sets forth a rejection allegedly “as applied to claims 1, 10, 12-18 and 20” but fails to include Liu or Baileys in the basis for the rejection. Nor does the rejection make clear that the rejection of dependent claims 9, 11, 19 and 24 relies upon something other than the rejection over Liu, Hinds, Harris and Baileys as applied to claims 1 and 12. Thus, the rejection is unclear as to whether it relies upon Liu and Baileys as it did for the earlier rejection of the independent claims.

Notwithstanding the lack of clarity in the rejection, Appellants again submit that the rejection, were it properly referenced to the rejection of claims 1, 10, 12-18 and 20, is improper as it relies upon Baileys, a document not available as prior art to establish obviousness. The present rejection is based upon a combination of Liu, Hinds, Harris in view of Baileys and Krisinski. However, Baileys was only available as of 2005, whereas the instant application was filed in 2003, Baileys is believed to be unavailable as a reference to support an obviousness rejection of the dependent claims.

Appellants further incorporate the arguments set forth above relative to Liu, Hinds, Harris and submit that the teachings of Krisinski, largely directed to processing of peanut skins, fails to set forth the specific limitations of claims 9 and 11. While Krisinski does teach the addition of skins, only a 50-60% portion of the germ is indicated as desirable. Appellants also continue to maintain that the limitations of claims 9 and 19 are not taught. In fact, Krisinski indicates (col. 2, lines 25-41) that

the additional step of homogenization was required to reduce undesirable characteristics, and that homogenization caused a loss of flavor volatiles. Thus, Krisinski would seem to teach away from the recited limitation of returning substantially all peanut germ separated from the peanuts during blanching as set forth in claims 9 and 19. Similarly, in rejecting dependent claims 11 and 24, (limitations pertaining to particle sizes of all peanut particles having a size in the range between about 10 μm and about 15 μm), the Examiner relies upon Krisinski which characterizes the teaching of another patent. Moreover, the section relied upon indicates does not teach that all particles are in a particular size range as set forth in the rejected claims. Hence, Krisinski does not teach the specific limitations set forth in dependent claims 9, 11, 19 and 24.

In light of the above-noted arguments, the Board is requested to answer the third question in the negative and reverse the rejection of dependent claims 9, 11, 19 and 24.

D. Fourth Rejection Under 35 U.S.C. §103; Were claims 9, 11, 19 and 24 properly rejected under 35 USC §103(a) as being unpatentable over Hinds and Harris, as applied to claims 1, 3-8, 10, 12-18, 20 and 22-23, and further in view of Krisinski?

Claims 9, 11, 19 and 24, all dependent from either independent claim 1 or 12, were rejected under 35 USC §103(a) as being unpatentable over ___?___ and further in view of Krisinski. Appellants urge that, again, the rejection is incomplete on its face as it fails to set forth the specific references relied upon. The Examiner mistakenly sets forth a rejection "as applied to claims 1, 3-8, 10, 12-18, 20 and 22-23" but fails to note that the referenced rejection was based upon Hinds in combination with Baileys as the basis for the rejection. Thus, the rejection is unclear as to whether it relies upon Hinds and Baileys, as for the earlier rejection of the independent claims, or Hinds and Harris as set forth in the Office Action dated August 22, 2008 (see p. 10, last full paragraph)

Notwithstanding the lack of clarity in the rejection, Appellants again submit that the rejection, were it properly referenced to the rejection of claims 1, 3-8, 10, 12-18, 20 and 22-2, is improper as it relied upon Baileys, a document not available as prior art

to establish obviousness. The present rejection is believed based upon a combination of Hinds in view of Baileys and Krisinski. However, Baileys was only available as of 2005, whereas the instant application was filed in 2003, Baileys is believed to be unavailable as a reference to support an obviousness rejection of the dependent claims.

Appellants further incorporate the arguments set forth above relative to Hinds and again urge that the teachings of Krisinski, largely directed to processing of peanut skins, fails to set forth the limitations of the independent claims, or specific limitations of dependent claims 9 and 11. While Krisinski does teach the addition of skins, only a 50-60% portion of the germ is indicated as desirable. Appellants also continue to maintain that the limitations of claims 9 and 19 are not taught. In fact, Krisinski indicates (col. 2, lines 25-41) that the additional step of homogenization was required to reduce undesirable characteristics, and that homogenization caused a loss of flavor volatiles. Thus, Krisinski would seem to teach away from the recited limitation of returning substantially all peanut germ separated from the peanuts during blanching as set forth in claims 9 and 19. Similarly, in rejecting claims 11 and 24, (limitations pertaining to particle sizes of all peanut particles having a size in the range between about 10 μm and about 15 μm), the Examiner relies upon Krisinski which characterizes the teaching of another patent. Moreover, the section relied upon indicates does not teach that all particles are in a particular size range as set forth in the rejected claims. Once again, Krisinski does not teach the specific limitations set forth in dependent claims 9, 11, 19 and 24.

In light of the above-noted arguments, the Board is requested to answer the fourth question in the negative and reverse the rejection of claims 9, 11, 19 and 24.

E. Conclusion

As set forth above, the pending claims were improperly rejected under 35 USC §103(a). In particular, the rejection under 35 USC §103(a) improperly relied upon a document that was not published until well after the instant application was filed, and combined documents that teach away from one another. In the alternative, when considered, *in arguendo*, the rejection under 35 USC §103(a) omitted limitations recited in the rejected claims.

In light of the various arguments set forth above, Appellants respectfully submit that all of the questions presented should be answered in the negative, that all rejections set forth should be reversed, and that Appellants' pending claims should be indicated as allowable.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Duane C. Basch', with a long horizontal flourish extending to the right.

Duane C. Basch, Esq. Reg. No. 34,545

Duane C. Basch

Attorney for Appellants

Registration No. 34,545

Basch & Nickerson LLP
1777 Penfield Road
Penfield, New York 14526

DCB/dcb

8. **CLAIMS APPENDIX:**

The following are the appealed claims:

1. An organic peanut butter, comprising:
at least about 90wt% organically grown, dry-roasted, ground peanuts; and
from about 5wt% to about 7wt% of a non-hydrogenated organic palm stearin
oil,

wherein a total fat concentration of the peanut butter is less than about
55wt%, and the peanut butter resists subsequent separation of oil therefrom, having
no free oil observed on the surface of the peanut butter after storage for at least 60
days.

2. (Canceled).

3. The peanut butter of claim 3, wherein the organic palm stearin oil has a
melting point between 44 degrees centigrade and 60 degrees centigrade.

4. The peanut butter of claim 3, wherein the organic palm stearin oil is heated
to at least the melting point before being blended with the peanuts.

5. The peanut butter of claim 1, further comprising from about 0wt% to about
3.5wt% salt.

6. The peanut butter of claim 5, further comprising from about 0wt% to about
10wt% of a sweetener.

7. The peanut butter of claim 6, wherein the sweetener includes unrefined,
organic cane sugar.

8. The peanut butter of claim 6, wherein the sweetener is selected from the group consisting of: cane sugar, sucrose, dextrose, fructose, honey, molasses, corn syrup, lactose, maltose, and maltose syrup.

9. The peanut butter of claim 1, wherein the ground peanuts include substantially all of the germ of the organic peanuts.

10. The peanut butter of claim 1, wherein the ground peanuts are Valencia peanuts.

11. The peanut butter of claim 1, wherein the ground peanuts in the peanut butter have a particle size in the range of about 10 μm to about 15 μm .

12. A method for manufacturing organic peanut butter, comprising the steps of:

(a) grinding organically grown, dry-roasted, ground peanuts in a mill;

(b) combining, during a milling operation, ingredients comprising at least about 90wt% of the ground peanuts along with from about 5% to about 7% by combined weight of an organic, non-hydrogenated palm stearin oil, to produce a mixture wherein a total fat concentration of the mixture is less than about 55wt%, said combining producing a heated mixture with a temperature sufficient to maintain the palm stearin oil in a liquid state; and

(c) cooling the heated mixture produced in step (b) to a temperature sufficiently low to produce a dispensable mixture, wherein the dispensable mixture is resistant to subsequent separation of oil therefrom, having no free oil observed on the surface of the peanut butter after storage for at least 60 days.

13. The method of claim 12, wherein the combining step occurs concurrently with the grinding step in the mill, and where the organic, non-hydrogenated palm stearin oil is dispensed into a throat of the mill.

14. The method of claim 13, wherein the organic, non-hydrogenated palm stearin oil is preheated, before being dispensed into the mill, at a temperature in the range of about 44 degrees centigrade to about 60 degrees centigrade.

15. The method of claim 13, wherein the organic, non-hydrogenated palm stearin oil is preheated, before being dispensed into the mill, at a temperature in the range of about 50 degrees centigrade to about 55 degrees centigrade.

16. The method of claim 12, further comprising the step of roasting the peanuts prior to grinding.

17. The method of claim 16, wherein the step of roasting the peanuts occurs within a temperature range of about 150°C to about 155°C.

18. The method of claim 16, further comprising the step of blanching the peanuts, after roasting, to remove skins therefrom.

19. The method of claim 18, further comprising the step of returning substantially all peanut germ, separated from the peanuts during blanching, into the peanuts before grinding.

20. The method of claim 18, further comprising the steps of:
collecting the heated mixture in a reservoir; and
pumping the heated mixture from a bottom of the reservoir, through a heat exchanger, to a filling station where it is dispensed into containers.

21. (Canceled)

22. The method of claim 12, further comprising the step of adding salt to the heated mixture during the combining step.

23. The method of claim 12, further comprising the step of adding a sweetener to the heated mixture during the combining step.

24. The method of claim 12, wherein the organic peanuts are milled to produce peanut particles, wherein the peanut particles within the peanut butter have a size in the range between about 10 μm and about 15 μm .

9. EVIDENCE APPENDIX:

NONE

10. RELATED PROCEEDINGS APPENDIX:

NONE